

Dated: August 2,2012

Summary of Secretary Chu - DOE Stakeholder Outreach Meetings/Testimony

TESTIMONY - RICHARD BURUD, 77100 Highway 71, PO Box 69, Jackson, MN 56143

My name is Richard Burud, General Manager of Nobles Cooperative Electric - Worthington, MN and Federated Rural Electric - Jackson, MN. Both cooperatives are WAPA power preference customers and each serve about 5,000 member consumers in southwest Minnesota.

I want to thank you for the chance to present oral comments as the "Chu Memo" has caused great concern among preference customers.

- 1) First and foremost, this process should "cause no harm" to existing preference customers
- 2) Relative to transmission access and payment, the "beneficiary" of the transmission use should pay its fair share
- 3) Allow the PMA's to use a regional concept for decision making, not a WAPA wide concept...Sometimes one size doesn't always fit.
- 4) Since the Upper Great Plains WAPA region or district recipients' have supplemental power suppliers, the Energy efficiency, load control(DSM), and distributive generation efforts will only effects the supplemental power and energy supplier and doesn't affect the WAPA supplied portion. WAPA could ask the preference customer to supply their activities in this area to make sure they are making efforts in this area. It is surely a retail distributor requirement and state of Minnesota has mandates governing this for our cooperatives. In this area, DOE should endorse the "utility controlled water heater" exemption.
- 5) Allow the owners of the IS transmission system(WAPA, Basin, and Heartland) to do there due diligence and decision making relative to joining or not an RTO,ISO. We have confidence that they'll make the right decision for their customers and rate payers.
- 6) Overall, WAPA has done an excellent job for my cooperatives in our region.

Thank you,

Richard Burud